

Manual for Binational Commissions and Foundations



Office of Academic Exchange Programs
United States Department of State
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FOREWORD

The Mutual Educational Exchange Program, widely known as the Fulbright Program, was established by the U.S. Congress in 1946 and is now administered under the authority of the Mutual Educational and Cultural Exchange Act (MECEA) of 1961, as amended (Public Law 87-256). This Act provides for, inter alia, U.S. financial support for educational and cultural exchanges; receipt of contributions from other governments and private sources; and the appointment by the President of the United States of the J. William Fulbright Foreign Scholarship Board (FSB), with the responsibility for establishing program policy guidelines and for making final selection of individuals and participating institutions to receive awards. The Act states the purpose of the Program is "...to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange..."

The essence of binationalism was spelled out in the FSB's 1971 "A Statement on Educational Exchanges in the Seventies":

The uniqueness of the exchange program is enhanced by the strong strain of binationalism that infuses it. Citizens of both countries share in its planning and administration, and bring talent and breadth to this responsibility. They protect its quality. They insulate it against partisan pressures. They keep it flexible and responsive to new ideas. They enlist many talents in support of its activities. They move a program that is governmental in origin outside the routine processes and controls of government; this condition makes participation in it more attractive to some, and makes it less likely to be affected in passing periods of political strain.

The Fulbright Program continues to have a profound impact on international relations. Approximately 6,000 new grants are awarded to individuals annually. U.S. grantees study, teach, lecture and conduct research in over 150 countries, while foreign nationals engage in similar activities in the United States. The Program is administered by the Bureau of Educational and Cultural Affairs (ECA) of the United States Department of State, (henceforth referred to as the Department) in conjunction with the statutory responsibility of the FSB and in cooperation with participating foreign governments. In some countries, binational entities called Commissions or Foundations (henceforth referred to as Commissions) are responsible for the administration of the Program abroad, under the terms of bilateral agreements between the United States and those countries. There are binational educational exchange agreements with over 60 countries, and 51 Commissions throughout the world. Each Commission is unique; there is no single model. Each has unique program priorities based on its country's educational needs and priorities. In countries where there are no Binational Commissions, U.S. Embassy officers abroad are responsible for overseas program administration.

Special characteristics of the Fulbright Program, which differentiate it from other exchange activities, include the provision for binational sponsorship, financing, administration, and planning; the policy and selection role of the FSB; and open competition for awards. Binationalism is central to programs administered by the Commissions.

This manual serves two primary purposes: (a) to inform the Commission regarding certain Department of State administrative requirements regarding oversight of funds appropriated by the U.S. Congress and (b) to provide guidance on various aspects of the Commission's operations.

CHAPTER 100. COMMISSION ORGANIZATION AND ADMINISTRATION

101. Bilateral Agreement

A bilateral agreement between the government of the United States and the government of another country pursuant to the provisions of the Fulbright-Hays Act and any relevant legislation or regulations of the partner government, establishes the authority of a Binational Commission to conduct a program of educational and cultural exchange between the two countries, using funds primarily made available by one or both governments.

The partner government designates one of its ministries, usually the Ministry of Foreign Affairs or the Ministry of Education, to negotiate the bilateral agreement with the appropriate U.S. officials. The partner government collaborates with the U.S. Government in the establishment of the Commission and formulation of the guidelines under which the Commission operates. Partner governments make annual contributions to the Commission's general program and operating costs and share authority, rights, and responsibilities for the Program.

The establishment of Binational Commissions and the activities of such Commissions undertaken under the auspices of the Fulbright Program are expected to be in compliance with U.S. Government regulations and procedures. The U.S. Government reserves the right to authorize, appropriate, allocate, and disburse U.S. Government funds to Commissions in accordance with U.S. Government rules, regulations, and procedures. It is understood that a partner government's financial contribution may exceed the U.S. contribution; however, such circumstances do not eliminate the requirement of adherence to U.S. Government regulations and procedures.

Partner governments enjoy analogous rights with respect to the allocation and disbursement of their funds and may require specific financial and program procedures and reporting.

Agreements generally authorize the Commission to accept contributions from other sources for program activities or services; such organizations may also require financial or program reporting. Activities administered by Commissions related to other entities, both government and private sector, should bear their full share of administrative expenses. Commission services, such as educational advising and screening of candidates for other programs, promote the purposes of the bilateral agreement in stimulating the expansion of mutually successful exchanges between the United States and the partner country.

102. Commission Board

The bilateral agreement specifies the number of Commission Board members (equal numbers of citizens of the United States and the partner country) and their method of appointment. U.S. members are drawn from both official and non-official U.S. citizens residing in the partner country. This is normally the case for members of the partner country as well. Board members usually represent the foreign policy, education, and business communities of each nation.

Agreements may specify selection of Honorary Chairpersons (usually the U.S. Ambassador and the partner country's Minister of Foreign Affairs or Education). If an Honorary Chairperson is selected, it is suggested that the incumbent alternate every year between the United States and the partner country or that they serve as Co-Chairs. The Commission Board, unless otherwise specified in the bilaterial agreement, elects the Chairperson of the Commission Board.

The Commission's Treasurer is chosen from among the remaining Board members.

103. Commission Board Responsibilities

Commission Boards, within the terms of their respective agreements, have numerous following responsibilities to realize long-term program objectives, including:

- a. To adopt bylaws and appoint committees as deemed necessary for the conduct of the affairs of the Commission;
- b. To plan, adopt and carry out educational exchange programs commensurate with the available funding levels, on the basis of mutual priorities, interests, and needs;
- c. To develop each year a comprehensive Program Proposal, detailing the scope of the programs for the following year, the academic areas of concentration, the types of grants, and similar general guidelines;
- d. To submit reports to the U.S. Government and to the partner government, as required, and notify both of decisions taken at Commission Board meetings; and to submit minutes of Board meetings to the appropriate geographic branch of the Office of Academic Exchange Programs (ECA/A/E);
- To direct the preparation each year of announcements and application instructions for national, open, competitive, binationally planned and executed competitions for scholarships;
- f. To interview, assess, and nominate partner country candidates for recommendation to the FSB for participation in selected programs, and to review and accept nominations of U.S. candidates;
- g. Within the limits of the budget of the Commission, to initiate and develop other activities in order to promote the purposes of the agreement, including, but not limited to, providing educational advising and testing services and organizing activities of exchange alumni;
- h. To engage in a fundraising program, if appropriate, in accordance with relevant guidelines issued by the Department and the FSB Policies, to attract and accept contributions for use in carrying out the purposes of the agreement; and
- i. To employ a Commission Executive Director to conduct its operations. If the Executive Director's position becomes vacant, the Commission Board should consult with the appropriate geographic branch of ECA/A/E as part of the recruitment process.

Upon selection of an Executive Director, a copy of the contract should be forwarded to ECA/A/E.

NOTE: Sample copies of a U.S. citizen Executive Director's contract with a Binational Commission will be provided by ECA/A/E upon request.

The Commission Board and the Executive Director exercise the following additional responsibilities in carrying out the purposes of the bilateral agreement to:

- j. Authorize the issuance of grants and disbursement of funds in accordance with an annual budget approved by ECA;
- k. Provide for annual audits of Commission accounts and review of Commission management operations by auditors approved by the Commission Board;
- I. Meet with representatives of the audit firm and discuss the findings at completion of the audit engagement and to serve as action officer on the consideration and implementation of the recommendations made by the public audit firm and to ensure that action is taken on the recommendations of the auditor's report. The Board forwards one copy of the audit and management reports to the Executive Director for comment and a statement of corrective actions taken. The Board forwards two copies in English of the audit and management reports to the appropriate geographic branch of ECA/A/E. The Commission's statement of corrective action taken on audit recommendations is sent to ECA within two months after completion of the audit;
- m. Establish the salaries, benefits, and terms of employment of staff;
- n. Authorize the acquisition and disposition of property; and
- o. If appropriate, administer or facilitate educational and cultural programs and activities that further the purposes of the bilateral agreement but are not financed by funds made available by the two governments.

104. Commission Treasurer

104.1 Appointment of the Treasurer

The Commission is an independent non-profit or incorporated entity that requires both fiscal and operational oversight by the Treasurer and the Commission Board.

The Commission Board elects or appoints the Treasurer from among the members of the Board, in accordance with the bilateral agreement. The Treasurer's role is to provide oversight of Commission financial operations.

104.2 Responsibilities of the Treasurer

Acting on behalf of the Commission Board, the Treasurer should work together with the Executive Director to:

- a. Ensure that adequate internal controls are established and are functioning to safeguard Commission funds;
- b. Ensure that the Commission is maintaining a double-entry accrual accounting system that is consistent with generally accepted accounting principles (GAAP), and is fully auditable by an independent accounting firm;
- c. Ensure that the Commission's annual audit is conducted by an independent audit firm and to provide for its distribution, review, discussion, and implementation of recommendations. ECA shall receive two copies of the annual audit and one copy of the Commission's corrective statement within two months of the completion of the audit;
- d. Ensure that the engagement letter executed on behalf of the Commission meets the Commission Board's expectations (including a management report) from the audit firm in carrying out its annual audit;
- Review, sign, and/or approve financial transactions (checks, bank transfers, etc.) for the disbursement of Commission funds, based on vouchers which are certified for payment by the Commission's Executive Director or an authorized member of the Board, to ensure that vouchers and transactions are executed properly;
- f. Ensure that procedures are in place to conduct checking account reconciliations on a regular basis; and
- g. Review Commission financial reports and statements to ensure that they reflect the Commission's financial operations and that they are forwarded to the Department and the partner government as required or requested;

104.3 Other Assistance Available to the Treasurer

In exercising oversight responsibilities, the Treasurer may request that the Commission Board solicit, in addition to the annual public audit, a review of Commission financial operations by a joint committee consisting of a U.S. Government appointee, a contributing partner government appointee, and one or more members of the Commission Board.

Such a joint committee may focus its review on:

- a. The adequacy of internal controls, particularly concerning the safeguarding of cash and expenditure of funds;
- b. The efficacy of the accounting system in producing reliable and timely financial data for the Commission;
- c. The adequacy of records supporting financial reports; and
- d. The correctness of unpaid commitments included on the financial reports.

Copies of such internal review reports must be sent to ECA, the contributing partner government, the Chairperson(s) of the Commission, and the Commission's Executive Director.

104.4 Assistant or Deputy Treasurer

The Commission Board may delegate authority to an Assistant or Deputy Treasurer, duly appointed by the Commission Board from among its members, to serve in the absence of the Treasurer.

Assistant or Deputy Treasurers are responsible to the Treasurer and should ensure that the Treasurer is aware of actions taken by them during the temporary absence of the Treasurer.

105. Responsibilities of the Bureau of Educational and Cultural Affairs

The Bureau of Educational and Cultural Affairs of the U.S. Department of State has been delegated responsibility for carrying out the Fulbright-Hays Act, as subsequently amended. ECA is responsible for managing, coordinating, and overseeing programs established pursuant to the Act. ECA administers the U.S. aspects of the Fulbright Program, in accordance with the FSB Policies, contracting as necessary with qualified U.S. educational exchange organizations for assistance with the operations of the Commissions' programs.

ECA Program Officers are central to the development, management, and execution of Fulbright and other academic exchange programs, and they ensure that programs conform to Fulbright-Hays legislation and FSB policy and respond to bilateral interests. Program Officers are the principal points of contact within the Department for Commission activities. They approve the amount and authorize the transfer of funds to Commissions and review and approve the Commission's annual budget. The geographic branches of ECA/A/E also review the Commission's Program Proposals and adjustments. They provide guidance to the Commissions regarding FSB and U.S. Government policies and other required procedures. Program Officers play a key role as liaisons with Public Affairs Sections of the U.S. Embassies, Commissions, cooperating agencies, and other organizations.

ECA, entrusted with public resources, is responsible for establishing and maintaining effective controls to ensure that appropriate goals and objectives are met; resources are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed. ECA has the responsibility for providing accountability over such funds as required by other public officials and legislators.

The Commission entities entrusted with receiving, handling, and disbursing U.S. Government funds are accountable to their respective Boards of Directors as well as ECA. Consequently, they must be able to provide appropriate and accurate reports documenting that their funded programs were carried out.

106. Relationship of the U.S. Department of State to the Commission

The Department, usually with the assistance of the U.S. Embassy officers in the partner country, takes the lead on the U.S. side in negotiating the bilateral agreement with the partner government. It assists in the establishment of the Commission and, because of its experience with, and responsibility for the Fulbright Program worldwide, assists in formulating the guidelines under which the Commission operates.

Specified Department personnel at the U.S. Embassy in the partner country are assigned, as part of their official duties, the responsibility to act as liaison with the Commission, serving as Board Members and facilitating programmatic operations of the Commission and the flow of information between ECA and the Commission as needed.

107. Responsibilities of the Partner Government to the Commission

The partner government designates one of its ministries, usually the Ministry of Foreign Affairs or the Ministry of Education, to negotiate the bilateral agreement with the U.S. Government. The partner government collaborates in the establishment of the Commission and in the formulation of the guidelines under which the Commission operates. It provides guidance to the Commission regarding the partner government's policies and required procedures. It appoints the partner country's members of the Commission Board. It may provide or assist the Commission in obtaining space, facilities, furniture, utilities, personnel services, or supplies. It advises the Commission on how to conform to local laws in arranging for the receipt of tax-free donations. A contributing partner government determines the amount of its contribution and authorizes its transfer to the Commission. A partner government may delegate some of these responsibilities to the Commission Board, through its membership on the Board. The bilateral agreement should outline the obligations of the partner government.

108. Responsibilities of the U.S. Embassy to the Commission

The Department and the U.S. Embassy recognize that the Commission is a separate, independent entity, with its own Board of Directors, who is solely responsible for the Commission's day-to-day operations.

The U.S. Embassy does not take responsibility for providing services or material support to the Commission. Nevertheless, the Embassy may, at the discretion of the U.S. Ambassador or the Public Affairs Officer, provide support such as space, facilities, furniture, utilities, personnel services, or supplies with or without reimbursement. The U.S. Embassy may facilitate transmission of official communications between the Commission and the Department. The U.S. Embassy, through its membership on the Commission Board, maintains a supportive working relationship with the Commission.

109. Responsibilities of the J. William Fulbright Foreign Scholarship Board

The FSB is a twelve-member body, appointed by the President of the United States under the provisions of the Fulbright-Hays Act. The FSB is responsible for supervising the Fulbright Program and is delegated with the responsibility for establishing program policies and approving selected qualified participants and educational institutions to receive awards. The FSB is broadly representative of the U.S. academic community, on whose support much of the Program depends, and its membership represents cultural and public life in the United States. The FSB Policies provide regulations to the Commissions and other organizations participating in the administration of the Program.

The Staff Office of the J. William Fulbright Foreign Scholarship Board (ECA/FSB/S), in conjunction with ECA/A/E, arranges FSB meetings; transmits to the Commissions and other administering organizations reports of FSB decisions; and coordinates FSB liaison with interested organizations and the general public.

110. Commission Staff

110.1 Status of Staff

The Commission employs an Executive Director and other staff, as required, for the conduct of its operations. Commission employees are not employees of the government of either country. Their status is derived from the bilateral agreement establishing the Commission and from the laws of the host country. They are not entitled to any diplomatic privileges or immunities.

When a vacancy for an Executive Director occurs, the Commission Board should consult with the appropriate geographic branch of ECA/A/E before recruitment is initiated. When the Commission Board hires an Executive Director, the Department recommends that it enter into a provisional contract that can be renewed at the Board's discretion in accordance with the stipulation of local labor and employment laws.

110.2 Responsibilities of the Executive Director

The Executive Director is responsible for:

- a. Managing and directing the administrative operations of the Commission, within the framework of policies established by the Commission Board and the requirements of the respective governments, including the following:
 - 1. Establishing office procedures and rules;
 - Appointing, supervising, and training the Commission staff;
 - Establishing and maintaining the Commission fiscal accounting system;
 - 4. Managing the Commission's annual budget, including the timely and accurate commitment of funds;
 - 5. Reviewing and certifying for payment, vouchers for disbursement of Commission funds:

- 6. Establishing an internal controls system which will provide the Commission with reasonable assurance that use of funds is consistent with laws, regulations, and policies; that funds are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and disclosed in reports;
- 7. Overseeing the timely preparation and submission of financial, statistical, and narrative reports for the Commission Board and the funding government(s);
- 8. Executing a contract annually with a public auditing organization for an audit of Commission financial operations and a review of Commission management operations in accordance with the directives of the Commission Board;
- 9. Establishing a permanent record of non-expendable property owned by the Commission; and
- 10. Obtaining insurance sufficient for the protection of the Commission against liability for damages related to Commission property, the operation of vehicles owned by the Commission and against property losses by fire, theft, or other causes, including the surety bonding of appropriate employees. (See Appendix 7)
- Conducting long-range program planning and developing the Commission's Annual Program Proposal and budget recommendations for the review and approval of the Commission Board;
- c. Managing the selection and placement of grantees;
- d. Planning and conducting orientation and re-entry programs for grantees;
- e. Monitoring the personal welfare and professional success of Commissionsponsored U.S. grantees in the partner country and partner country grantees in the United States (through ECA/A/E and the cooperating agencies, when appropriate);
- f. Preparing, for the approval of the Commission Board, an Annual Report on the Commission's exchange activities for the program year;
- g. Establishing and maintaining working relationships with relevant government organizations, educational institutions, and private organizations in the partner country and the United States;
- h. Supervising non-grant Fulbright activities approved by the Commission Board, such as educational advising and testing services; and
- i. If appropriate, coordinating fundraising activities of the Commission within the guidelines of the Department and the FSB Policies. (See Section 112)

111. Responsibilities of the Cooperating Agencies

The Department annually enters into cooperative agreements with private, not-for-profit organizations to provide administrative services for the Fulbright Program. The Council for International Exchange of Scholars (CIES), under the administrative umbrella of the Institute of International Education (IIE), administers the Fulbright Scholar Program. IIE administers the Fulbright U.S. Student Program and shares responsibility for the Fulbright Foreign Student Program with LASPAU: Academic and Professional Programs for the Americas and the America-Mideast Educational and Training Services (AMIDEAST). Graduate School, USDA administers the Fulbright Teacher and Administrator Exchange Program.

Responsibilities of the cooperating agencies include recruitment and screening of U.S. applicants, placement of some foreign grantees, supervision and support of grantees, provision of orientation materials, management of pre-academic training and enrichment programs, and outreach to universities and other educational institutions in the United States. Timelines for specific activities vary with each agency.

Cooperating agencies receive programmatic and policy guidance from ECA/A/E and the FSB and should be responsive to Commissions' needs. Commissions should address the appropriate geographic branch of ECA/A/E regarding budget, policy or program advice.

112. Fundraising

The Department has authority under Section 25 of the Basic Authorities Act to accept and solicit gifts. In addition, Section 105(f) of the Fulbright-Hays Act grants to the President of the United States specific authority to seek private sector support with respect to programs covered by the Act.

Fundraising is encouraged as long as the program drives the funding and the core Fulbright principles are respected. Commissions and Embassies are reminded to consult with the ECA/A/E geographic branch when contemplating fundraising initiatives.

112.1 Fundraising by the Commission Staff

Prior to embarking upon income-generating projects the Commission should identify specific programs for which these additional resources will be used, and carefully analyze whether the direct benefit to the Fulbright Program justifies the extra time, work, and effort that may be required to succeed in the proposed fundraising activity.

All fundraising should be driven by Fulbright Program priorities and not by the availability of funds. Chief among these are the need for open competition and flexibility in program design. Initiatives to increase the number of Fulbright grantees must cover all costs, including local administrative costs and cooperating agency costs in the United States.

Since the fundraising environment in each country is different, the Commission should engage in such activities with sensitivity to the prevailing conditions. The

FSB has issued guidelines that are intended to protect the financial integrity, independence, and international reputation of the Fulbright Program.

112.2 Fundraising by U.S. Government Officials

When fundraising by U.S. Government officials is authorized, it must be carried out in a manner that minimizes appearances of preferential treatment and conflicts of interest. The Department has placed fairly centralized controls on fundraising activities by U.S. Government officials, generally requiring prior Under Secretary for Management approval, either of specific projects or of certain categories of projects and activities. The Department will approve solicitation only when it can be conducted in such a manner that proposed donors will not feel pressured to respond to a direct appeal and will not expect preferential government treatment as a result of their donations. The Department implements these conditions through the regulations stated in the Foreign Affairs Manual (http://www.foia.state.gov/regs/vtl.asp).

The FAM also sets forth regulations for Chiefs of Mission when personally engaged in fundraising for public diplomacy programs.

113. Educational Advising

ECA provides support for a network of more than 450 overseas educational advising and information centers to provide accurate and impartial information to foreign publics about the U.S. system of education and opportunities for study in the U.S. Advising centers promote and represent the broad spectrum of accredited educational institutions in the United States. The centers also serve as information resources on all ECA exchange programs.

113.1 Commission Support for Educational Advising

Educational advising for both sponsored and non-sponsored students fulfills the mandate of promoting mutual understanding as articulated by the Fulbright-Hays Act by reaching out to a large number of international students and scholars. By providing educational advising, the Commission enhances its ability to attract a broader pool of qualified applicants and raise the visibility of the Commission.

113.2 Operating Guidelines

Commissions involved in educational advising should:

- Provide impartial information about all accredited institutions of higher learning in the United States to all interested audiences.
- Provide, at no charge, access to essential materials (in particular, those provided by the Educational Information and Resources Branch of the Office of Global Education Programs [ECA/A/S/A]).

 Provide, as requested by ECA, information on the Commission's educational advising services, including user statistics and financial data on funds expended and funds generated by advising-related activities.

Commissions may:

- Charge fees for additional services such as specialized group sessions, book sales, test preparations, document translations, and assistance to U.S. institutions. These fees should be reasonable and in keeping with local custom and fiscal regulations.
- Administer standardized tests with the goal of facilitating prospective students' entry to U.S. institutions.

113.3 ECA Support for Educational Advising

ECA suppports educational advising by providing Commissions with selected reference materials such as guides to U.S. colleges and universities; offers a variety of training opportunities for educational advisers including in-country, regional, and U.S.-based programs; and relies on its Regional Educational Advising Coordinators (REACs) to strengthen the quality of educational advising around the world. REACs conduct in-country and regional workshops and seminars, and assist centers in developing outreach and funding strategies.

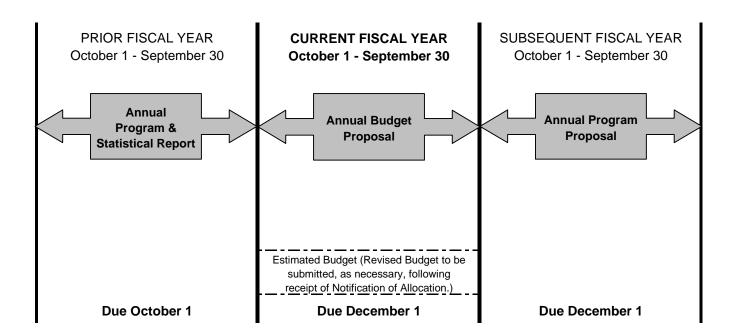
CHAPTER 200. ANNUAL PROGRAM AND STATISTICAL REPORT, ANNUAL BUDGET PROPOSAL AND ANNUAL PROGRAM PROPOSAL

201. Background

Each year the Bureau of Educational and Cultural Affairs is required to present statistical data to justify annual budget requests for the Fulbright Program and to respond to questions about the Program from the U.S. Congress, other U.S. Government entities, and the general public.

More effective program and budget management follows from creating a set of documents which contain a review of recent programs and statistics, a breakdown of proposed budget figures for the current fiscal year, and a strategy for the next fiscal year.

This reporting and planning cycle is based on the U.S. Government fiscal year, October 1 through September 30. The academic year or fiscal year in some countries may vary from this cycle. These variations cannot affect the reporting and planning cycle because data from all Commissions must be available for review before the allocation of funds.



202. Annual Program and Statistical Report, Annual Budget Proposal, and Annual Program Proposal - Deadline Dates

The Department requires that Commissions submit a Program and Statistical Report, Budget Proposal, and Program Proposal each year. The Annual Program and Statistical Report is due October 1 each year. The Annual Budget Proposal and the Annual Program Proposal are due December 1 each year.

<u>Annual Program and Statistical Report</u> covers the previous fiscal year. For example, reports due October 1, 2005, discuss and account for program activities funded using FY 2005 funds (October 1, 2004 through September 30, 2005).

Annual Budget Proposal provides data for the current fiscal year. For example, a Budget Proposal due December 1, 2005, demonstrates anticipated expenditures proposed for FY 2006 (October 1, 2005 through September 30, 2006).

In an ideal situation, ECA/A/E will provide the Commission with an allocation in time to allow the Commission to submit an Annual Budget Proposal on December 1. However, if ECA/A/E cannot provide the allocation by December 1, the Commission should submit an estimated budget proposal based on the previous fiscal year's initial ECA/A/E allocation and other sources of funding. The Commission will, as necessary, submit a revised budget proposal after ECA/A/E notifies the Commission of its allocation. The Commission should advise the appropriate ECA/A/E geographic branch of further budget revisions as they occur.

Annual Program Proposal describes activities that the Commission wishes to undertake during the next fiscal year. For example, a Program Proposal due on December 1, 2004, will cover activities to be funded during FY 2006 (October 1, 2005 through September 30, 2006). This schedule provides ECA/A/E time to review and discuss the Program Proposal with the Commission prior to making decisions on the allocation of funds for the next fiscal year.

203. Annual Program and Statistical Report

The Department requires that the Commission prepare an Annual Program and Statistical Report at the conclusion of the fiscal year, assessing and evaluating the Commission's activities in comparison to the Program Proposal for that fiscal year and the Commission's objective for its Fulbright Program. Because of the long-range nature of many Fulbright Programs, activities carried out in one fiscal year may have been funded in an earlier fiscal year. The Commission should include these activities in this report and identify the fiscal year of the grant or activity. The report also highlights significant accomplishments in projects and individual grants, progress toward program objectives, and problems that may have impacted program effectiveness.

203.1 Contents of the Program Report

The Annual Program Report should cover:

- Program implementation and achievements evaluated with reference to the objectives of the Annual Program Proposal
- Examples of grantee accomplishments such as special recognition by local entities, joint research, publications, developments promoting exchange opportunities
- Noteworthy activities of alumni or alumni associations
- Successes in non-grant areas such as negotiating cost share agreements or fund raising
- Developments which necessitated reprogramming and/or alteration of the program proposal
- Challenges impacting current exchange activities

- Administrative issues such as action taken on audit report recommendations, staffing changes, and effect of exchange rates on Program Proposal and Budget Proposal
- If not reported separately to the Department, please include:
 - Description of the inter-country or regional activities
 - Summary of the non-grant program activities

ECA/A/E suggests that the report not exceed 5 to 8 pages, depending on the size of the Commission's overall program.

203.2 Contents of the Statistical Report for ECA/A/E-Funded Fulbright Students and Scholars (See Appendix 14)

The Commission must report the total number of grants and their respective costs awarded for the concluding fiscal year. This information is required for the Department's reporting to the U.S. Congress and other U.S. Government entities. The information also assists ECA/A/E in formulating its budget plans and funding requests for future years.

Upon request, ECA/A/E will provide instructions and forms for the Statistical Report.

204. Annual Budget Proposal (See Appendix 15)

The Annual Budget Proposal anticipates the costs for grant and non-grant activities and administrative costs for the current fiscal year and demonstrates implementation of the Program Proposal submitted the previous year.

Upon request, ECA/A/E will provide forms for the Budget Proposal.

205. Annual Program Proposal

The Annual Program Proposal outlines the projects and activities that the Commission plans to fulfill program goals. The proposal should include activities supported with funds from the U.S. Government, the partner government, and all other sources. The proposal should identify other sources of monetary and in-kind contributions that will fund Commission projects. Projects are groups of grants with a distinctive focus so that individual grants are coordinated to support a specific goal. This makes it possible to demonstrate progress toward the accomplishment of specific program objectives.

In general, the Annual Program Proposal should not exceed 10 pages.

205.1 Contents of the Annual Program Proposal

a. Program Overview

Statement of Purpose -- Description and purpose of the Fulbright Program in the partner country.

Commission Goals -- Describe the Commission objectives that contribute to the U.S. and partner country academic or broader community, as well as, the local factors influencing Commission goals, for example:

- Major U.S. and partner country needs and interests
- Other relevant exchanges between the U.S. and the partner country
- Established or potential linkages between institutions in the two countries

b. Grant Program Activities

This section demonstrates how the Commission will implement programs to fulfill objectives. The proposal should describe grants and projects for the next fiscal year. It should include estimates of the number and types of grants the Commission wishes to offer but the estimated cost of grants is not required.

The Commission may recommend activities or new initiatives that it would like to undertake should additional funds become available.

c. Non-Grant Program Activities

The proposal should identify all non-grant program activities, which may include:

- Orientation and re-entry activities for grantees
- Seminars
- Alumni activities
- Fulbright publications
- Programs and special events
- Educational advising services

d. Program Administration

The proposal should address the following, as appropriate:

- Changes in local law which may affect Commission personnel practices or activities
- Changes in personnel or staffing patterns
- Staff training
- Staff travel
- Board meetings
- Changes in office space requirements (such as rent and utilities)
- Furniture and equipment
- Computer hardware and software

e. Program Proposal Appendices

The proposal should include:

- A list of Board Members, their positions in the community, dates of appointments, and terms of service.
- A list of Commission staff and the title of each position, identifying fulltime, part-time, and/or contract positions.

CHAPTER 300. FINANCIAL MANAGEMENT

301. U.S. Government Funding Authorization

The U.S. Government funds educational and cultural exchange programs through annual appropriations as authorized under the Fulbright-Hays Act and approved by the U.S. Congress. The U.S. Government fiscal year starts on October 1, and ends on the subsequent September 30.

302. Department of State Allocation

The total allocation represents the U.S. Government's contribution to the Commission in support of the Commission's program and operations budget for the year. ECA also contributes to the Commission's program through direct payments to the cooperating agencies for administrative costs and certain program costs such as pre-academic training and enrichment activities.

It is the Department's expectation that the funding provided under the Fulbright Program will be used by the Commission, to the maximum extent feasible, to support program and non-grant activities.

Funds transferred to the Commission are designated by the fiscal year in which such funds are appropriated, even though such funds remain available until expended and are considered no-year funds. The Commission reports on U.S. Government allocations for the designated U.S. Government fiscal year. For purposes of fiscal management, the designated fiscal year is the identifying element for budgets, fiscal reports, program activity commitments, and administrative expenditures covered by U.S. Government funds.

ECA/A/E may transfer funds directly to cooperating agencies on behalf of the Commission. Partner governments and private sector partners may transfer funds directly to cooperating agencies.

At the end of the U.S. Government fiscal year, the appropriate geographic branch of ECA/A/E may provide a summary of the transactions affecting the Commission's allocation.

303. U.S. Government Funding - Revenue Identification

According to generally accepted accounting principles (GAAP) of the United States, the Department's allocation to the Commission should be recognized in the Commission's accounting system when notification is provided to the Commission that ECA has made a fiscal year allocation of funds to the Commission. Notification indicating a subsequent allocation of additional funds or a decrease in funds should be recorded at the time the Commission receives such notification from ECA.

Both accounts receivable and revenue received from the U.S. Government should be identified by fiscal year and shown as a separate line item on the Balance Sheet of the Commission's financial statements.

304. U.S. Government Funding – Program Funds Expenditures

The Commission should record commitment of expenditures when the Commission makes specific commitments to grantees. Grants are recorded as expenses and liabilities when awarded. Commission accounts will show the total cost of a grant as an expenditure, including future payments, such as return travel, at the time the grant is awarded.

Uncommitted funds resulting from cancelled grants should be used to fund additional grants or projects. The Commission should consult with ECA/A/E program officers regarding reprogramming of uncommitted funds.

Funds designated in the budget for program and non-grant activities may not be used for administrative expenses unless extenuating circumstances necessitate their use. Prior approval of the Commission's Board and consultation with the geographic branch of ECA/A/E are required.

305. Non-Grant Program and Advising Costs

Non-grant program costs are expenses (other than grants) that directly support the Fulbright Program. This category of costs may include departure and re-entry orientations, alumni activities, directory updates, conferences, seminars, and other program support activities.

Funding for non-grant program activities should be committed prior to the close of the designated fiscal year. These activities may take place and be paid for in the following fiscal year.

Advising costs include personnel costs and benefits for the advising staff, travel, acquisition of materials, and office expenses related to advising activities. The Commission may report on advising and non-grant costs.

306. Administrative Expenditures

Administrative expenditures consist of overhead or indirect costs that the Commission incurs as part of general operating expenses. Expenditures may include staff salaries and benefits, staff travel, meetings, mortgage/rent and utilities, printing and copying, communication costs, office supplies, and contractual services.

The Commission should monitor administrative costs. Usually no more than 20 percent of the total budget should be used for administrative costs.

Administrative expenses must be obligated prior to the close of the designated fiscal year. These costs cannot be carried over and charged against prior fiscal year funding. However, actual payment for services rendered prior to the close of the fiscal year may be made after the fiscal year closes.

307. Disbursement of Funds

Each year, ECA/A/E geographic branches will transfer funds that have been allocated to the Commission. The transfer will be done electronically via the Payment Management System (PMS).

NOTE: In order to establish a PMS account, the Commission must submit the PMS Contact Information Form, the Direct Deposit Sign-Up Form (SF-1199) and/or the Wire Transfer Form for International Organizations to ECA/A/E. If the contact and/or financial information required by these forms changes, the Commission must submit revised forms to ECA/A/E. (See Appendices 9, 10 and 11)

308. Accounting System – General Policy

The Department requires that Commission accounting records and procedures be in accordance with generally accepted accounting principles, as recognized by the United States or partner-country accounting profession.

The Department requires that the Commission annually contract with a Certified Public Accountant, Chartered Accountant or public accounting firm to conduct an audit of the Commission's accounting system. Such audit should be carried out in compliance with professional standards as established under either the U.S. or partner-country accounting profession. The Commission has flexibility in establishing accounting records and procedures that best meet the Commission's needs for the administration and control of funds. Commission accounts may be maintained in either the partner country currency or U.S. dollars or a combination of both currencies as determined by the Commission's Board.

If necessary, the Commission should contract with a public accounting firm for assistance in establishing an accounting system consistent with GAAP, and auditable by a qualified independent accounting firm.

309. Cash Basis vs. Accrual Basis Accounting System

At the recommendation of the Office of Inspector General (OIG), ECA prefers that Commission accounting records and procedures for program and non-grant expenses be on an accrual basis, in accordance with GAAP, rather than on a cash basis. However, administrative costs can be accounted for on a cash basis. Under an accrual system, revenue is recognized when it becomes receivable and expenses are recognized when the related commitments are incurred rather than paid.

Where the Commission maintains its records on a cash basis, it shall not be required to establish an accrual accounting system, provided that the Commission can develop such accrual data for its financial reports.

310. Commingling of Funds

The Commission may commingle the U.S. Government contribution with funds received from the partner government and/or other sources, as long as the Commission's accounting system and/or records will allow it to report the amount of U.S. Government funds that are in the commingled account, including interest earned on the U.S. Government contribution.

311. Accounting Requirements

311.1. Accounting Systems

The accounting system should provide for double entry accounts and support preparation of a Balance Sheet; a Statement of Operations; a Statement of Changes in Financial Position; and a Statement of Fixed Assets. Reports based on the accounting system should contain a column indicating the U.S. dollar conversion (rate and dollar amounts) at the reporting date for items listed on the Balance Sheet and Statement of Operations.

Accounting records must be supported by documentation that adequately identifies the source and application of funds for Commission-administered activities.

All unpaid commitments must be reviewed quarterly and adjusted whenever a commitment amount is understated or overstated, or it must be cancelled whenever the purpose of the commitment is no longer valid.

The Commission must have a cash management system to assist in determining the Commission's cash requirements. Such a system will provide a basis for tracking cash requirements, including grant, non-grant and administrative disbursements. The ability to track cash requirements will permit accurate forecasting of the Commission's funding requirements.

According to OMB Circular A-122, 11.c(2), any portion of a building or equipment purchased with U.S. Government funds is not eligible for depreciation. Depreciation is not treated as an expense on the Statement of Operations. ECA does not fund depreciation as a budget item; however, purchase of fixed assets should be included in the Commission budget proposal. Please refer to OMB Circular A-122 paragraph 11 for complete rules on depreciation.

311.2. Accounting Staff

In addition to an acceptable accounting system, the Commission must have staff with accounting knowledge and experience to operate the system. It is essential that the Commission's financial manager or accountant have sufficient experience and/or education to operate and maintain a double-entry accounting system.

If the current financial manager or accountant does not have sufficient accounting experience, the Commission must obtain additional training for the individual.

Alternatively, the Commission may contract out the accounting function to a qualified accounting service.

312. U.S. Dollar-Denominated Bank Accounts

The U.S. Treasury requires the use of a U.S. dollar-denominated bank account at a U.S. financial institution, or an internationally recognized financial institution located in the United States, for Commissions to receive electronic transfers of U.S. Government funds.

312.1 Uses of U.S. Dollar Bank Accounts

- U.S. Dollar accounts may be used to:
 - a. Make payments to U.S. programming agencies for special Commission program activities;
 - b. Pay for Commission purchases of equipment, supplies, materials, or services obtained directly from a U.S.-based company when the purchase cost must be paid in U.S. dollars;
 - c. Pay the per diem and related costs of Commission staff during periods of travel in the United States on Commission business;
 - d. Pay advances given in U.S. dollars to Commission staff for official travel and make refunds of such advances which must also be in U.S. dollars.

312.2 <u>Limitations on Uses of U.S. Dollar Bank Accounts</u>

- U.S. Dollar accounts may not be used for:
 - a. Salaries or benefits to non-U.S. citizen staff;
 - b. Local operating expenses of the Commission;
 - c. Circumvention or evasion of partner country currency restrictions or limitations.

313. Severance Trust Fund

If local law or custom requires the Commission to provide severance pay for Commission employees, the Department recommends that the Commission set up a separate Severance Trust Fund account for employee severance purposes and concurrently establish a Severance Liability account on the Commission Balance Sheet. Selection of the type of account (savings, investment, etc.) and management and control over the account is the responsibility of the Commission's Executive Director and Board.

Severance funds should be deposited in a savings or investment account with earnings or interest received on the principal amount applied to the account, to meet the Commission's incremental increases in severance liability. In addition, the Commission

must budget sufficient funds annually to ensure that the amount of cash funds on deposit in the Severance Trust Fund asset account is sufficient to cover the Commission's total severance liability.

The Commission shall not borrow from the Severance Trust Fund to meet operating cash flow needs. The account should be reflected separately as a Severance Trust Fund on the Commission Balance Sheet. The Severance Trust Fund account should not be commingled with other operational cash bank accounts. The other bank account amounts constitute funds available to meet the Commission's operating needs. An offset to the Severance Trust Fund account is the Severance Liability account that separately identifies the accrued severance liability to Commission employees.

If the accrual of interest results in the balance of the Severance Trust Fund account being significantly in excess of the Commission's severance liability, the Fund trustees should take action to transfer the excess funds to the Commission's operating account. A review should be conducted of the Commission Trust Fund Liability requirement to determine if there is a basis for a decrease in fund deposits so that the fund balance equates to the fund liability.

The Severance Trust Fund account balance and the correctness of the corresponding liability amount due employees, should be reported in the annual independent audit report covering the Commission's operations.

314. In-Kind Contributions or Donations

In lieu of cash, the Commission may receive in-kind donations. Examples of such items include airplane tickets, tuition waivers, free or subsidized housing, fee waivers for grantees (i.e., research fees), donated services, office rent, utilities, use of equipment, or discount of legal, accounting, and audit fees. To the extent that such items are received and their value is ascertainable, they should be recorded in the accounting records as both a revenue and an expenditure. In-kind contributions are often under-reported. They should be reported so that the total contributions to the Fulbright Program are reflected accurately.

315. Commission Accountability and Financial Reporting – U.S. Government Funds

The financial reports required provide Commission accountability regarding the use of U.S. Government funds.

The Commission is required to submit interim and final financial reports detailing program, non-grant, and administrative expenses incurred during the fiscal year. The financial reports relate the proposed budget to actual expenditures and allow for successful program evaluation.

The required financial reports are:

Annual Budget Proposal Annual Program and Statistical Report Quarterly Status of Funds In addition to the financial reports required above, the Commission must also submit an annual Balance Sheet with the 4th Quarterly Status of Funds Report to the appropriate geographic branch of ECA/A/E. (See Appendix 16)

Quarterly reports are due one month following the close of the quarter. Quarters are as follows:

Quarters	Period Covered	Report Due On
1 st Qtr.	October 1-December 31	January 31
2 nd Qtr.	January 1-March 31	April 30
3 rd Qtr.	April 1-June 30	July 31
4 th Qtr.	July 1-September 30	October 31

316. Audit of Commission Operations by an Independent Public Audit Firm

The Department requires that the Commission annually contract with a Certified Public Accountant, Chartered Accountant, or public accounting firm to conduct an audit of the Commission's accounting system, its financial records and statements and the Commission's operating procedures. The objective review and opinion of such outside observers is valuable to both the Commission staff and Commission Board members. Two copies of the annual audit must be forwarded to the appropriate geographic branch of ECA/A/E. The geographic branch will retain one copy. The other copy will be forwarded to the Office of Inspector General.

If the Commission has used the same audit firm for more than five consecutive years, the Commission should rebid and negotiate the contract with a different firm. This ensures a fresh, objective review of the Commission's accounting system, records, and internal controls procedures. It also should confirm that the Commission is receiving its audit services at a fair, competitive, and equitable cost.

The financial statements of the Commission, including the financial reports submitted to ECA/A/E, must present accurately its financial position and the results of its financial operations in accordance with generally accepted accounting principles and must comply with the provisions of this manual.

316.1. Audit Engagement Letter or Contract

The Commission should contact the audit firm prior to the close of the Commission's fiscal or calendar year to schedule the annual audit. The Commission should provide the audit firm with a copy of this manual.

The audit firm and the Commission should execute annually an engagement letter contract setting forth the audit requirements and the Commission's expectations as well as the projected time line to carry out the audit.

The engagement letter should specify a time line with an audit completion date and a specific report submission date.

The contract should specify that the audit must:

- a. Be scheduled and conducted during the three-month period following the close of the Commission's fiscal or calendar year.
- b. Be conducted in accordance with generally accepted auditing standards.
- c. Confirm that the Commission has an internal accounting system and other control structures to provide reasonable assurance that Commission funds are managed and reported in compliance with the applicable laws of the partner government, the bilateral agreement, the approved budget, Commission policies, and Department policies explained in this manual. Where internal controls are not adequate, security insurance bonding should be considered.
- d. Confirm that the Commission has complied with laws and regulations that may have a material effect on its financial statements and reports.
- e. Confirm that the Commission has established a Severance Trust Fund covering the liability to employees at time of separation, if required under local law.

316.2 Audit Report Requirements

The auditors should prepare, in addition to the report on the financial statements, written reports on:

- a. The tests of compliance with applicable laws and regulations;
- b. The understanding of the Commission's internal controls structure and the assessment of control risk made as part of the audit; and
- c. The Department of State allocation and related expenditures for the current fiscal year.

These reports should include:

- Report on Compliance containing a statement of positive assurance on those items that were tested for compliance and negative assurance on those items not tested. It should include all material instances of noncompliance and any actions that may be contrary to the locally prevailing law or applicable U.S. Government rules and regulations.
- Report on Internal Controls including:
 - 1. The scope of the auditor's work in obtaining an understanding of the internal controls structure and in assessing the controls risk;
 - 2. The Commission's significant internal controls or controls structure, including the controls established to ensure compliance with laws and

regulations that have a material impact on the financial statements and the results of the audit; and

3. The reportable conditions, including the identification of material weaknesses, identified as a result of the auditor's work in understanding and assessing the control risk.

Report on the U.S. Government Allocation including:

- 1. The U.S. Government allocation authorized in local currency and/or U.S. dollar for the current fiscal year;
- 2. The U.S. Government accounts receivable balance due to the Commission at Balance Sheet date;
- 3. Current fiscal year income/revenue from the U.S. Government reported for the period;
- 4. Program grants executed against the current year appropriation for the fiscal year:
 - Commitments
 - Disbursements or payments
 - Unpaid liability balance
- Current year program and advising costs against U.S. Government funding;
- 6. Current year administrative expenditures against U.S. Government funding; and
- 7. Interest income earned on U.S. Government funding during the fiscal year.

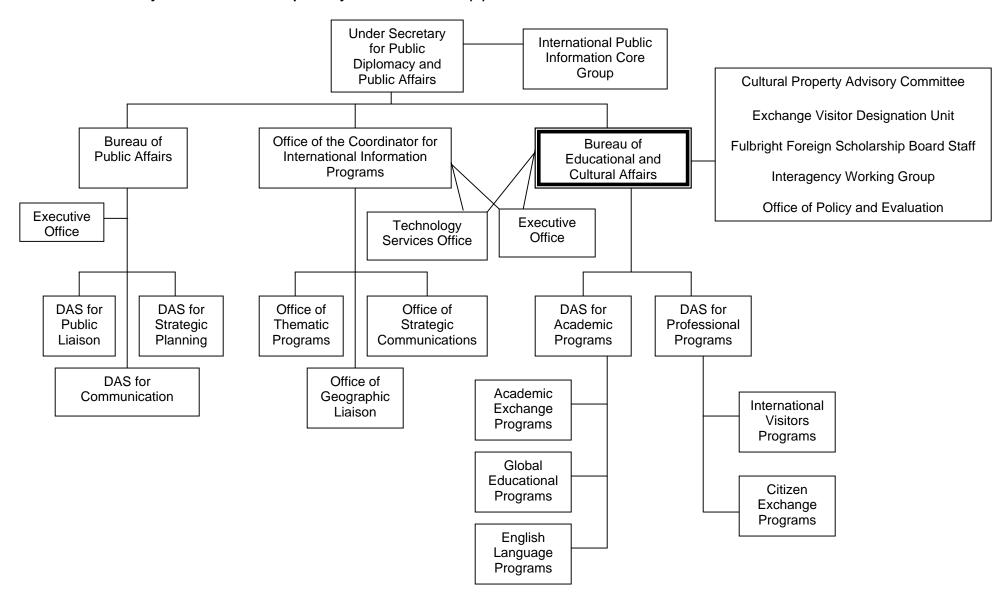
317. <u>U.S. Department of State – Office of Inspector General</u>

Since the Fulbright Program is funded by U.S. Government appropriations, the provisions of both Office of Management and Budget (OMB) Circular A-110 and the Inspector General Act of 1978 apply, thereby providing fiscal oversight of ECA funds and funds under the control of Commissions. (See Appendix 3)

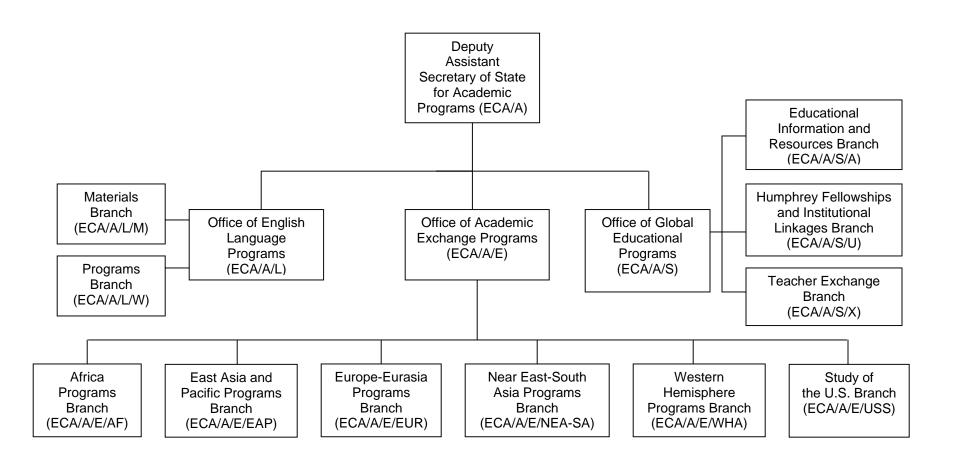
The Department requires independent outside audits to be conducted by professional accountants. Under the terms of the Inspector General Act, the Office of Inspector General may review such reports to ensure that audits are conducted in accordance with generally accepted auditing standards.

APPENDIX 1. DEPARTMENT OF STATE ORGANIZATION AND OFFICE SYMBOLS

Under Secretary of State for Public Diplomacy and Public Affairs (R)



Deputy Assistant Secretary of State for Academic Programs (ECA/A)



APPENDIX 2. TYPES OF FULBRIGHT GRANTS

1. Fulbright Student Program

The Student Program is designed to give university graduates, masters and doctoral candidates, and young professionals and artists opportunities for personal development and international experience. Grants are given to U.S. and partner country graduate students for degree or non-degree studies. Grantees plan their own programs. Projects may include university course work, independent library and field research, special projects, or a combination of these. Grants under the Student Program are for a minimum of six months.

2. Foreign Language Teaching Assistant Program (FLTA)

FLTA, a component of the Fulbright Foreign Student Program, provides young teachers of English as a Foreign Language the opportunity to refine their teaching skills and broaden their knowledge of U.S. cultures and customs while strengthening the instruction of certain foreign languages at colleges and universities in the United States.

3. Fulbright Islamic Civilization Initiative

The Islamic Civilization Initiative is an element of the U.S. Student Program which funds research and study in any country where there is a significant Muslim population. Projects receiving funding are specifically selected for their potential to enhance Americans' knowledge of Islam and Islamic culture.

4. Fulbright Scholar Program

The Scholar Program provides grants to U.S. and partner country lecturers, researchers, or a combination of both, who are educators at the Ph.D. or equivalent level or experienced professionals. These grantees engage in full-time lecturing and/or conduct advanced research in a variety of fields.

5. Fulbright Scholar-in-Residence Program

The Scholar-in-Residence (SIR) Program provides grants to enable U.S. colleges and universities to host visiting lecturers from abroad for a semester or academic year. Institutions may submit proposals requesting the scholar by name or asking the U.S. Embassy or Fulbright Commission to recruit the scholar. Preference is given to institutions that are traditionally less involved in international exchange programs including Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Tribal Colleges and Universities (TCUs), small liberal arts colleges and community colleges.

6. Fulbright Senior Specialist Program

This program is a short-term complement to the traditional Scholar Program. Senior Specialist awards are granted for a period of two to six weeks and are designed to provide U.S. faculty and professionals opportunities to collaborate with counterparts on curriculum and faculty development, institutional planning, and a variety of other activities.

7. New Century Scholars Program

The New Century Scholars Program is a forum for international, interdisciplinary collaboration among the world's outstanding research scholars and professionals. Each year, the program assembles approximately thirty leading intellectuals to collaborate on an issue of global importance.

8. Fulbright Alumni Initiatives Awards Program

Alumni Initiatives Awards provide both U.S. and visiting Fulbright scholar alumni with the opportunity to sustain ongoing contacts and partnerships initiated as a result of their Fulbright award. The program provides small institutional grants to develop innovative projects that will foster institutionally supported linkages and sustainable, mutually beneficial relationships between the Fulbright scholar's home and official host institutions.

9. The Fulbright/American Political Science Association (APSA) Program

The Fulbright/APSA Program awards three grants annually to visiting scholars and professionals from a selection of eligible countries worldwide. Foreign scholars and professionals are given the opportunity to study the U.S. Congress as a fellow working in a Congressional office for six to nine months of the twelve-month grant. The remainder of the grant is devoted to seminars and enrichment activities. Applicants may be academics, journalists, or public policy professionals with a scholarly interest in the policymaking process.

10. Hubert H. Humphrey Fellowship Program

The Hubert H. Humphrey Fellowship Program brings accomplished professionals from countries with a wide range of developmental needs to the United States at a mid-point in their careers for a year of graduate-level, non-degree study and related practical professional experiences. Commissions nominate candidates based on their potential for leadership and their commitments to public service. The Humphrey Program provides a basis for the on-going cooperation of citizens of the United States with their professional counterparts in other countries.

11. Fulbright Teacher and Administrator Exchange Program

The Fulbright Teacher and Administrator Exchange Program provides opportunities for teachers, administrators, and other school or college faculty to participate in direct

exchanges of positions with colleagues from other countries for six weeks, one semester, or a full academic year. In most cases, both teachers secure a leave of absence with pay from their home institutions and trade classrooms for the school year. By living and working in the cultures of their host countries, exchange teachers and administrators gain an understanding and appreciation of the similarities and differences in cultures and educational systems.

12. Fulbright American Studies Institutes

Under this program, grants are awarded to foreign secondary school educators and university faculty to visit the United States for a period of approximately six weeks. The grantees participate in a four to five week graduate level, academic seminar to update their knowledge of U.S. society, institutions, and culture, and undertake up to two weeks of related travel. The purpose of the grant is to enhance the accuracy of teaching and curricula about the United States abroad.

13. Fulbright-Hays Programs

Fulbright-Hays consists of four specific grant programs sponsored and administered by the U.S. Department of Education, with funds appropriated by the U.S. Congress. These programs provide opportunities abroad for Americans to build expertise and experience in non-western foreign languages and area studies and to benefit the U.S. academic community. The four programs are: the Fulbright-Hays Doctoral Dissertation Research Abroad Program, the Fulbright-Hays Faculty Research Abroad Program, the Fulbright-Hays Group Projects Abroad Program, and the Fulbright-Hays Seminars Abroad Program.

APPENDIX 3. <u>U.S. DEPARTMENT OF STATE OVERSIGHT AUTHORITIES AND RESPONSIBILITIES</u>

A. Office of Management and Budget (OMB) Circular A-110 (revised 11/19/93, as amended 9/30/99)

<u>Subject:</u> Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

<u>Purpose</u>: This Circular sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations.

<u>Authority:</u> 31 U.S.C. 503 (the Chief Financial Officers Act); 31 U.S.C. 1111, 41 U.S.C. 405 (the Office of Federal Procurement Policy Act); Reorganization Plan No. 2 of 1970; and Executive Order 11541 "Prescribing the duties of the Office of Management and Budget and the Domestic Policy Council of the Executive Office of the President."

<u>Policy:</u> Except as provided herein, the standards set forth in this Circular are applicable to all Federal agencies. If any statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the statute shall govern.

The provisions of the sections of this Circular shall be applied by Federal agencies to recipients. Recipients shall apply the provisions of this Circular to sub-recipients performing substantive work under grants and agreements that are passed through or awarded by the primary recipient, if such sub-recipients are organizations described in paragraph 1.

Federal agencies may apply the provisions of this Circular to commercial organizations, foreign governments, organizations under the jurisdiction of foreign governments, and international organizations.

B. Inspector General Act of 1978 (Public Law 95-452, October 12, 1978), as amended

Subject: Authorizes each Inspector General to carry out the provisions of the Act.

<u>Purpose:</u> To provide access to all records, reports, audits, reviews, documents, papers, recommendations, or other materials available to the applicable establishment which relate to programs and operations with respect to which that Inspector General has responsibilities under this Act.

<u>Authority:</u> In 1986 legislation established and incorporated under the Act the Office of Inspector General (OIG) at the Department of State, to ensure independent and objective reviews of the Department's programs and operations.

<u>Policy:</u> In carrying out the duties and responsibilities specified in the Act, the Inspector General shall:

- Comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;
- Establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and
- Take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in the first paragraph.

OIG has legislative responsibility to conduct audits, inspections, and investigations relating to all aspects of Department of State programs and operations.

Further, the funding to provide continuing or ongoing support for this program is provided based upon the annual appropriation authorization approved by the U.S. Congress. Accordingly, the Department of State, ECA, and the Commissions can also be reviewed, audited, or investigated by the Government Accountability Office (GAO), at the request of the U.S. Congress.

C. The Fulbright-Hays Act (Public Law 87-256), as amended

Subject: The Mutual Educational and Cultural Exchange Act of 1961

<u>Purpose:</u> To increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange.

The Act includes but is not limited to:

- J. William Fulbright Educational Exchange Program
- Hubert H. Humphrey Fellowship Program
- International Visitors Program
- American Cultural Centers and Libraries
- Study of the U.S. Program
- A Program of working with private, not-for-profit groups through contracts, grants, or cooperative agreements, as authorized by Section 102 of this Act, so as to provide financial assistance to non-governmental agencies engaged in implementing and enhancing exchange-of-persons programs.

<u>Administration:</u> The Bureau of Educational and Cultural Affairs (hereinafter referred to as ECA) of the Department of State has been delegated responsibility for carrying out the Fulbright–Hays Act (Public Law 87-256), as subsequently amended. ECA shall be responsible for managing, coordinating, and overseeing programs established pursuant to this Act.

Annual funding for these programs is provided through the U.S. Government appropriation process to the Department of State and distributed or sub-allocated,

where applicable, to the various Commissions under agreements with the subrecipients.

ECA is responsible for establishing and maintaining effective controls to ensure that appropriate goals and objectives are met; resources are safeguarded; laws and regulations are followed; and reliable data are obtained, maintained, and fairly disclosed. ECA has the responsibility for providing accountability over such funds if, and as required, by other public officials and legislators.

The entities entrusted with receiving, handling, and disbursing U.S. Government funding are also accountable to their respective Boards of Directors as well as ECA. Consequently, they must be able to provide relevant and accurate reports that document the carrying out of the programs that were funded.

<u>Policy:</u> All recipients of Fulbright and Humphrey grants shall have full academic and artistic freedom.

The J. William Fulbright Foreign Scholarship Board shall formulate the policy on revocation of Fulbright grants, which shall be made known to all grantees. Such policy shall fully protect the right to due process as well as the academic and artistic freedom of all grantees.

All programs under the authority of ECA shall maintain their nonpolitical character and shall be balanced and representative of the diversity of American political, social, and cultural life. All academic and cultural programs under the authority of ECA shall maintain their scholarly integrity and shall meet the highest standards of academic excellence and achievement.

ECA shall administer no programs except those operating under the authority of this Act and consistent with its purposes.

Under the Act:

- 1. The President shall ensure that all exchange programs conducted by the U.S. Government, its departments and agencies, directly or through agreements with other parties, are reported at a time and in a format prescribed by the Secretary of State. The President shall ensure that such exchanges are consistent with U.S. foreign policy and avoid duplication of effort.
- 2. Annually, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Senate a report pursuant to paragraph (1) above. Such report shall include information for each exchange program supported by the United States on the objectives of such exchange, the number of exchange participants supported, the types of exchange activities conducted, the total amount of Federal expenditures for such exchanges, and the extent to which such exchanges are duplicative.
- 3. In addition to the U.S. Government support for the program, the Act provides for receipt of contributions from other governments and private sources.

Special characteristics of the Fulbright Program, which differentiate it from other exchange activities are: the binational sponsorship, financing, administration and planning; the policy and selection role of the FSB; and open competition for awards. Binationalism is central to programs administered by Commissions.

- 4. Partner governments are encouraged to make annual contributions to the Commission's general program and operating costs. Other government entities that provide funding to the program share authority, rights, and responsibilities for the program; each may require specific financial and program procedures as well as reporting.
- 5. Agreements may authorize Commissions to accept contributions from other sources for program activities or services; such organizations may also require financial or program reporting. Commission services, such as educational advising and screening of candidates for other programs promote the purpose of the bilateral agreement in stimulating (and supporting) the expansion of mutually successful exchanges between the United States and the partner country.

APPENDIX 4. ACCIDENT AND SICKNESS PROGRAM FOR EXCHANGES

The Department of State provides accident and sickness coverage for its sponsored exchange participants under the Accident and Sickness Program for Exchanges (ASPE). The ASPE is a self-funded program designed to pay the covered medical expenses for eligible participants enrolled in the program.

The ASPE is NOT health insurance; it is subject to specific limitations spelled out in its brochure. Grantees should read the brochure carefully and become familiar both with coverage and with claims procedures. It is especially important to understand the exceptions to, and limitations of, coverage to avoid incurring personal liability for medical expenses. Questions relating to specific countries of assignment should be addressed to the appropriate geographic branch of ECA/A/E.

The ASPE is specifically designed to support the goals of Department of State exchanges; it is valid only for participants of programs funded or sponsored by the Department and while in transit outside the participant's country of origin or while in the participant's country of assignment. Coverage under the ASPE is not intended to support an individual whose chronic or long-term illness precludes satisfactory completion of objectives outlined in the Department's authorizing legislation. This coverage is neither intended to replace insurance a grantee may already have, nor is it convertible to continued coverage upon completion of the assignment.

For copies of the ASPE brochure, contact the Office of the Executive Director (ECA-IIP/EX). The brochure and claim forms are also available online at http://exchanges.state.gov/aspe/aspebrochure.pdf.

APPENDIX 5. APPLICATION OF U.S. TAX REGULATIONS

This Appendix makes no attempt to interpret complex U.S. Federal Tax laws and regulations. This section is included only to alert the Commission to various U.S. tax laws that may be applicable. For further clarification, regarding specific circumstances or regulations and laws affecting Commission operations, consult the following publications or the Internal Revenue Service (IRS) directly.

IRS Publication #	<u>Title</u>
15	Circular E, Employer's Tax Guide
54	Tax Guide for U.S. Citizens and Resident Aliens Abroad
515	Withholding Tax on Nonresident Aliens and Foreign Corporations
519	U.S. Tax Guide for Aliens
520	Scholarships and Fellowships
525	Taxable and Non-Taxable Income
593	Tax Highlights for U.S. Citizens and Residents Going Abroad
901	U.S. Tax Treaties

IRS forms can be retrieved from http://www.irs.gov/formspubs/lists/0, id = 97817,00.html or from U.S. Embassies and Consulates during tax filing periods.

Written international inquiries should be sent to:

Internal Revenue Service Assistant Commissioner (International) 950 L'Enfant Plaza South, SW Washington, DC 20034 USA

A. Social Security Tax (FICA)

Commissions should determine whether a U.S. citizen employee of the Commission is subject to the U.S. social security tax in accordance with the Federal Insurance Contribution Act (FICA) and the U.S. Internal Revenue Code.

If required, the FICA tax contributions of U.S. citizen employees must be withheld from their salaries and matched by an equal payment by the Commission as the employer. Because FICA tax contributions change annually, the Commission should arrange to receive Publication 15 *Circular E, Employers Tax Guide*, mentioned above.

The Commission uses IRS Form 941 to file the FICA tax statement and make payments. The form specifies the employer identification number (EIN), the amount paid and the quarter for which paid. The Commission must attach to this form a statement showing the rate of exchange used in determining the U.S. dollar amount in paying the FICA taxes. This should be the prevailing rate used by the U.S. Embassy on the date of filing. All tax payments are sent directly to the Internal Revenue Service Center, Philadelphia, PA 19255-0102 USA.

B. Payment of U.S. Income Tax

1. U.S. Citizen Employees

If a U.S. citizen employee of the Commission is paid from U.S. Government funds, the individual is subject to U.S. Government tax regulations and must submit a U.S. income tax return. The amount of income received by the employee from the Commission is certified by the Commission Treasurer. The tax return is sent to the Internal Revenue Service Center, Philadelphia, PA 19255-0102 USA.

Section 911 of the U.S. Internal Revenue Code provides for exclusion or deduction of taxation on income earned abroad by U.S. citizens and resident aliens under certain circumstances. Reference the IRS website at http://www.irs.gov/businesses/small/international/article/0, id = 105371,00.html for more detailed information on how to determine whether one can claim the exclusion or deduction.

In general, to claim the foreign earned income exclusion, the foreign housing exclusion, or the foreign housing deduction, the filer must have foreign earned income, his/her tax home must be in a foreign country, and he/she must be one of the following:

- A U.S. citizen who is a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire tax year,
- A U.S. resident alien who is a citizen or national of a country with which the United States has an income tax treaty in effect and who is a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire tax year, or
- A U.S. citizen or a U.S. resident alien who is physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months.

The status of Commissions for U.S. tax purposes--whether U.S. or foreign entities--may be examined by the U.S. Internal Revenue Service. U.S. citizen employees are, therefore, advised that the applicability of the foreign earned income exclusion is questionable and to consult with tax counsel prior to the submission of annual tax filings.

2. U.S. Citizen Grantees Abroad

The tax laws of the United States apply to all U.S. citizens wherever they are located (Section 911 of the Internal Revenue Code applies to U.S. grantees abroad). U.S. Internal Revenue Service Publication 520 explains the regulations, which apply to U.S. citizens who are studying, teaching or conducting research in the United States and abroad under scholarship and fellowship grants.

3. Non-U.S. Citizen Grantees

Non-U.S. citizen grantees are responsible for determining whether any part of funds received in the United States is subject to U.S. income tax regulations.

Any grantee from a country with which the United States does NOT have an income tax treaty in effect is subject to U.S. income tax regulations. For those grantees, cooperating agencies will withhold the appropriate U.S. tax or, in consultation with the Department, provide limited advice regarding the grantee's tax obligations.

APPENDIX 6. TRAVEL OF COMMISSION MEMBERS, STAFF, AND GRANTEES

A. Travel Policy

The Commission should establish and maintain a travel policy that covers authorization and approval of official travel by members and employees of the Commission.

B. Per Diem

Official travel may cover actual expenses incurred in the performance of official duties, but not exceed per diem or mode of travel allowances which would be provided to U.S. Government employees or, when applicable, partner government employees performing similar travel.

Calculation of per diem rates within the U.S. Government is a shared responsibility of:

The General Services Administration (GSA) provides rates for the Continental U.S. (CONUS). GSA updates the CONUS rates once a year or as necessary, normally in October. CONUS per diem rates can be accessed at: http://www.gsa.gov. After accessing the site, search for "per diem" and click on the link to "Domestic Maximum Per Diem Rates and links to Foreign Per Diem Rates."

The Department of State provides rates for non-U.S. overseas locations and updates these rates at the beginning of every month. A list of non-U.S. overseas per diem rates can be accessed at: http://www.state.gov/m/a/als/prdm/.

The General Services Administration (GSA) provides a link to the site for non-continental U.S. and overseas non-foreign areas, i.e., Alaska, Hawaii, Guam, maintained by the Department of Defense. These rates can be accessed at: http://www.gsa.gov. After accessing the site, search for "per diem" and click on the link to "Domestic Maximum Per Diem Rates and links to Foreign Per Diem Rates." Scroll to the bottom for the link to "rates in non- contiguous U.S. locations."

C. Travel Regulations

All air travel or air shipments paid with U.S. Government funds must be in conformity with the International Air Transportation Fair Competitive Practices Act of 1974, as amended, concerning use of U.S. flag carriers. Partner countries may establish complementary provisions.

Staff and grantee travel authorized by the Commission is economy class. Exceptions for higher cost business class or first class travel may be authorized by the Commission Board under exceptional circumstances: if the purpose of the travel is urgent and no economy class space is available in the required time-frame; if the physical condition of the traveler requires the use of first class service, etc.

Travel within the partner country or the United States may be by any public means of transportation, or by privately owned vehicles on a mileage basis, if this is considered advantageous to the Commission.

D. Fly America Act

This information is taken directly from Chapter 301, Section 10.130 of Federal Travel Regulation:

http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/ftr_040504_508_R2QA53_0 Z5RDZ-i34K-pR.pdf.

Definitions

A. <u>The Fly America Act</u> - The Fly America Act refers to the provisions enacted by Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (Public Law 93-624, January 3, 1975), 49, U.S.C. App. 1517, as amended by section 21 of the International Air Transportation Competition Act of 1979 (Public Law 96-192, February 15, 1980), 94. Stat. 43.

B. <u>U.S. Flag Air Carrier (301-10.134)</u> - U.S. flag carrier service is provided on an air carrier which holds a certificate under 49 U.S.C. 41102 and which service is authorized either by the carrier's certificate or by exemption or regulation. U.S. flag air carrier service also includes service provided under a code share agreement with a foreign air carrier in accordance with Title 14, Code of Federal Regulations when the ticket, or documentation for an electronic ticket, identifies the U.S. flag air carrier's designator code and flight number.

C. <u>United States</u> - For purposes of the Fly America Act, "United States" means the 50 states, the District of Columbia, and the territories and possessions of the United Sates.

1. General Requirements of the Fly America Act (301-10.135)

The Fly America Act requires the use of U.S. flag air carrier service for all air travel funded by the U.S. Government.

2. Use of United States Flag Air Carriers (301-10.139, 301-10.140)

Foreign air carrier service may not be used solely based on the cost of your ticket. You may not use a foreign air carrier solely based on personal preference or convenience for yourself or your agency. You must use U.S. flag carrier service unless you meet one of the approved exceptions.

3. Necessity for Use of Foreign Air Carrier Service (301-10.138)

Use of foreign air carrier service is deemed a necessity when service by a U.S. flag carrier is available, but

- 1. Cannot provide the air transportation needed; or
- 2. Will not accomplish the agency's mission.
 - a. Necessity includes, but is not limited to, the following circumstances;
 - i. When the agency determines the use of a foreign air carrier

- is necessary for medical reasons; or
- ii. When use of a foreign air carrier is required to avoid an unreasonable risk to your safety and is approved by your agency; or
- iii. When you cannot purchase a ticket in your authorized class of service on a U.S. flag carrier, and a seat is available in your authorized class of service on a foreign air carrier.
- iv. When the costs of transportation are reimbursed in full by a third party, such as a foreign government, international agency, or other organization.

4. Scheduling Principals (301-10.135, 301-10.137)

In determining availability of U.S. flag air carrier service, the following scheduling principals should be followed unless their application results in the last or first leg of travel to and from the United states being performed by foreign air carrier:

- 1. U.S. flag air carrier service available at point of origin should be used to destination or, in the absence of direct or through service, to the farthest interchange point on a usually traveled route;
- 2. When an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag carrier service; or
- 3. Where a U.S. flag air carrier involuntarily re-routes the traveler via a foreign air carrier, the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

5. Guidelines for Determining Unavailability of U.S. Flag Carrier Service (301-10.136)

A. Travel to and from the United States

- 1. The use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier;
- 2. An interchange point, and the use of U.S. flag air carrier service would require the traveler to wait 4 hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the United States would extend the time in a travel status by at least 6 hours more than travel by a foreign air carrier.

B. Travel Between Two Points Outside the United States (301-10.136)

For travel between two points outside the United Sates, U.S. flag air carrier service will not be considered to be reasonably available:

- 1. If travel by U.S. flag carrier would increase the number of aircraft changes you must make outside of the U.S. by 2 or more; or
- 2. Extend your travel time by at least 6 hours or more; or
- 3. Require a connecting time of 4 hours or more at an overseas interchange point.

6. Code Sharing (301-10.134)

U.S. flag carrier service also includes service provided under a code share agreement with a foreign air carrier in accordance with Title 14, Code of Federal Regulations when the ticket, or documentation for an electronic ticket, identifies the U.S. flag air carrier's designator code and flight number.

APPENDIX 7. SURETY BONDS

The Commission must establish a system of internal controls. The public audit of the Commission should specifically review these controls and comment on their adequacy or need for improvement. One of the objectives of an internal controls system is to safeguard assets against waste, loss, and misappropriation. The purpose of surety bonding for Commission staff and officers is to provide for reimbursement to the Commission in the event a loss occurs.

The position of the Department on the purchase of surety bonding by the Commission:

- The Commission should ensure that it has a system of internal controls which provides reasonable assurance that the assets of the Commission are safeguarded;
- The Commission should ensure that it obtains the advice and counsel of its auditors on the adequacy of its internal controls system;
- The surety bonding of Commission staff and officers is not necessary if the Commission's internal controls system provides reasonable assurance that assets are safeguarded; however, the Commission may purchase surety bonds for its staff and officers if the Board determines bonding to be necessary and cost effective;
- If surety bonds are purchased, the Commission should seek to reduce premium costs by use of appropriate deductibles;
- Surety bonds should not be purchased for employees of the U.S. Government.

NOTE: In some countries, surety bonds are not available.

APPENDIX 8. U.S. TAX ON DONATIONS TO THE COMMISSION

The U.S. Internal Revenue Code allows U.S. taxpayers to deduct contributions to certain U.S. non-profit entities organized for fraternal, charitable, or educational purposes. Unfortunately, most Fulbright Commissions do not fall within this provision of the Code and donations made directly to the majority of Commissions are not tax deductible for U.S. taxpayers.

NOTE: Consult with the appropriate geographic branch of ECA/A/E with plans to establish an entity for accepting U.S. donations for Commissions abroad.

Donations to the U.S. Government qualify as a deduction from income if they serve a public purpose. The Internal Revenue Service (IRS) of the U.S. Government has ruled that the activities authorized by the Mutual Educational and Cultural Exchange Act (MECEA) of 1961 serve a public purpose. Therefore, donations made to the Department specified for use by a particular Fulbright Commission may qualify as a deduction for income tax purposes. Donations may be for specific scholarships, scholarships in general or specific projects such as the construction or remodeling of Commission offices.

U.S. Internal Revenue Code places limitations on the extent to which contributions are deductible, but these provisions are subject to change from year to year. Thus, taxpayers are advised to consult with their own tax consultant or the IRS on the effect on their tax payments of contributions made to the Department of State for a Fulbright Commission. Commission and U.S. Embassy personnel should refer potential donors to the appropriate IRS publication. (See http://www.irs.gov/formspubs/lists/0,,id= 97817,00.html)

The U.S. Government may accept in-kind donations on behalf of the Commission provided the donations are not conditioned on a requirement that the U.S. Government finance the upkeep of the donations. This law pertains to specially conditioned gifts and does not preclude voluntary maintenance of equipment, e.g., a computer or building. Upon acceptance, in-kind donations become the property of the U.S. Government and cannot be given away. U.S. Government property can, however, be loaned on a permanent basis. Acceptance of in-kind contributions by a U.S. Embassy is not reported to the Department but should be acknowledged by the Public Affairs Officer with a letter of thanks to the donor and reported to the appropriate geographic branch of ECA/A/E. The burden is on the taxpayer to establish the value of in-kind contributions. U.S. Embassy personnel should not make value appraisals, nor confirm those made by other sources. Contributions in local currency are valued at the rate of exchange on the day accepted by the U.S. Embassy Disbursing Officer.

APPENDIX 9. PMS CONTACT INFORMATION FORM AND INSTRUCTIONS

A. Payment Management System Contact Information Form

PAYMENT MANAGEMENT SYSTEM (PMS) CONTACT INFORMATION

1.	Primary Contact:	
	Name of Organization	
2.	Name of Organization:	
3.	Title of Primary Contact:	
4.	Telephone Number:	
5.	E-mail Address:	,
6.	Mailing Address:	
7.	Alternate Contact:	
8.	Telephone Number:	
9.	E-mail Address:	
10.	Subaccount Code: (IF APPLICABLE)	

B. Instructions for Completing the Payment Management System Contact Information Form

To be completed by the Commission:

- 1. Type or print the name of the individual who will be responsible for requesting payments in the Payment Management System.
 - This is a mandatory field.
- 2. Type or print the Commission name.
- 3. Type or print the Primary Contact title.
- 4. Type or print the Primary Contact telephone number.
- 5. Type or print the Primary Contact e-mail address.
 - This is a mandatory field. PMS notifications will be sent via e-mail.
- 6. Type or print the mailing address of the Commission.
- 7. Type or print the name of an alternate individual at Commission.
 - PMS notifications will be sent to two (2) staff members at each Commission.
 - This is a mandatory field.
- 8. Type or print the Alternate Contact telephone number.
- 9. Type or print the Alternate Contact e-mail address.
 - This is a mandatory field. PMS notifications will be sent via e-mail.
- 10. Leave Blank.

Completed Payment Management System (PMS) Contact Information Forms should be sent via e-mail to:

Leigh Sours
U.S. Department of State
Office of Academic Exchange Programs (ECA/A/E)

E-mail: SoursLA@state.gov

NOTE: If the contact information required by this form changes, the Commission must submit a revised form to ECA/A/E.

APPENDIX 10. PMS DIRECT DEPOSIT SIGN-UP FORM AND INSTRUCTIONS

A. Direct Deposit Sign-Up Form (SF 1199)

The Direct Deposit Sign-Up Form (SF-1199A) can be found on the following page.

Standard Form 1199A (Rev. June 1987) Prescribed by Treasury Department Treasury Dept. Cir. 1076



DIRECTIONS

- To sign up for Direct Deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.

A NAME OF PAYEE (last, first, middle initial)

- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

CHECKING

SAVINGS

SECTION 1 (TO BE COMPLETED BY PAYEE)

D TYPE OF DEPOSITOR ACCOUNT

1000000 /	A D.C. (ED.C.)		E DEPOSITOR ACCOUNT NUMBE	R		
ADDRESS (street, route, P.O. Bo.	x, APO/FPO)					
CITY	STATE	ZIP CODE	F TYPE OF PAYMENT (Check only	<u> </u>		
TELEPHONE NUMBER			Social Security Fed Salary/Mil. Civilian Pay Supplemental Security Income Mil. Active			
AREA CODE			Railroad Retirement Mil. Retire			
	TO DAYMENT		Civil Service Retirement (OPM) Mil. Survivor			
B NAME OF PERSON(S) ENTITLED	O TO PATMENT		VA Compensation or Pension	Other		
C CLAIM OR PAYROLL ID NUMBER			2 THE DOVE TO BUT OF 15 IT OF		(specify)	
			G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable) TYPE AMOUNT			
Drofin	C. #iv		TYPE	AMOUN	ı	
Prefix Suffix PAYEE/JOINT PAYEE CERTIFICATION			IOINT ACCOUNT HO	NI DERS' CERTIFICATION	(ontional)	
			JOINT ACCOUNT HOLDERS' CERTIFICATION (optional)			
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.			I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.			
SIGNATURE		DATE	SIGNATURE		DATE	
SIGNATURE		DATE	SIGNATURE		DATE	
GOVERNMENT AGENCY NAME	OTION 2 (10 BL	CONIL ELTED E	GOVERNMENT AGENCY ADDRESS			
SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION) NAME AND ADDRESS OF FINANCIAL INSTITUTION ROUTING NUMBER CHECK DIGIT						
DEPOSITOR ACCOUNT TITLE FINANCIAL INSTITUTION CERTIFICATION						
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 209, and 210.						
PRINT OR TYPE REPRESENTATIVE'S NAME SIGNATURE OF REPRESE			ENTATIVE	TELEPHONE NUMBER	DATE	

Financial institutions should refer to the GREEN BOOK for further instructions.

THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.

Instructions for Completing the Direct Deposit Sign-Up Form

NOTE: The Direct Deposit Sign-Up Form should be completed and submitted to ECA/A/E if the Commission banks with a U.S. financial institution or internationally recognized financial institution physically located in the United States.

Section 1: (To be completed by the Commission):

- A. Type or print the Commission name, address and telephone number.
 - Do not enter an individual's name in this block.
 - Forms containing correction fluid or any alterations to the payee name will not be accepted.
- B. Leave blank or type the name of the Commission.
 - Do not enter an individual's name in this block.
- C. Enter the Commission's Federal Employer Identification Number (EIN). This is the 9-digit U.S. tax ID number issued by the Internal Revenue Service. If you do not have an EIN, leave blank.
- D. Check type of bank account: Checking or Savings.
- E. Enter the account number at the U.S. financial institution to which the funds will be direct deposited.
 - Forms containing correction fluid or any alterations to the account number will not be accepted.
- F. Check "Other" and type:
 - U.S. Department of State, ECA
- G. Leave blank.

The individual(s) having signing authority for this bank account should sign and date Section 1 on the LEFT SIDE. Leave the RIGHT SIDE blank.

Section 2: (To be comleted by the Commission):

Type the following on the LEFT SIDE:

U.S. Department of State

Type the following on the RIGHT SIDE:

Bureau of Educational and Cultural Affairs (ECA)

Section 3: (To be completed by the U.S. financial institution or left blank if the form is being sent directly to ECA/A/E)

C. Instructions for Revisions to the *Direct Deposit Sign-up Form*

- A new Direct Deposit Sign-up Form must be completed every time the data on the current form changes. (For example a change in Commission personnel relevant to account signing authority, a change in U.S. banking institution, bank account number or bank account type.)
- Blank forms can be obtained by contacting ECA/A/E or on page 50 of this manual.
- Please type or print <u>REVISED</u> and the <u>PMS account number</u> on the top of the revised Direct Deposit Sign-up Form before mailing it to the U.S. financial institution for completion or to ECA/A/E.
- Revised forms should be sent via express mail to the following address:

Leigh Sours
U.S. Department of State
Office of Academic Exchange Program (ECA/A/E)
301 4th Street, SW, Room 234
Washington, DC 20547 USA

E-mail: SoursLA@state.gov

APPENDIX 11. PMS WIRE TRANSFER FORM FOR INTERNATIONAL ORGANIZATIONS AND INSTRUCTIONS

A. Wire Transfer Form for International Organizations

NOTE: The Wire Transfer Form for International Organizations should be submitted to ECA/A/E if the Commission banks with a financial institution physically located outside of the United States. This information will be used to process wire payments from the U.S. Federal Government to the Beneficiary Bank of the Payee.

All sections of the form must be completed.

Payment Management System Wire Transfer Form for International Organizations

This form should be completed if the Fulbright Commission does not have a financial institution physically located in the United States. This information will be used to process wire payments from the U.S. Federal Government to the Beneficiary Bank of the Payee. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments. All Sections of the form must be completed.

Section 1 – Organization Information						
Name of Payee (Organization's Name): Location Address:						
Primary Contact: Title:						
Section 2	- Bank Information					
Corresponding U.S. Bank:	_ Payee or Beneficiary's Bank:					
Corresponding U.S. Bank ABA Number:	Beneficiary Bank's Identifier with the Corresponding U.S. Bank:					
Corresponding U.S. Bank City and State:	Identifier Type (please check one): Account NumberSwift Code Other Identifier:					
Additional Comments:	Payee or Beneficiary's Bank Account Number:					
	_Bank Account Title:					
3 – Certification						
Payee Certification As a representative of	As a representative of, I confirm the identity of the above named Payee and the Bank Account Number and Title. I certify that the Beneficiary Bank agrees to receive and deposit the U.S. Federal payments.					
Signature: Date:	Signature: Date:					
Name: Email:	Name: Email:					

B. Instructions for Completing the Wire Transfer Form for International Organizations

Section 1: (To be completed by the Commission):

Type or print the following on the TOP HALF of Section 1:

Name of Payee

Type or print the Commission name.

• Do not enter an individual's name in this block.

Location Address

Type the street address of the Commission.

Tax Identification Number (or Employer Identification Number)

Enter the Commission's Federal Tax Identification Number (TIN) or Employer Identification Number (EIN). This is the 9-digit U.S. tax ID number issued by the Internal Revenue Service. If you do not have a TIN or an EIN, type NOT APPLICABLE.

Mailing Address

Type the mailing address of the Commission if different from the street (location) address. If the street address and the mailing address are the same, type SAME.

Type or print the following on the BOTTOM HALF of Section 1:

Primary Contact

Type the name of the Commission's primary contact person as it appears on the Payment Management System Contact Information Form.

Title

Type the title of the Commission's primary contact person as it appears on the Payment Management System Contact Information Form.

Telephone Number, Fax Number and E-mail Address

Type this information for the Commission's primary contact person as it appears on the Payment Management System Contact Information Form.

Section 2: (To be completed by the Commission.)

Type or print the following on the LEFT SIDE of Section 2:

Corresponding U.S Bank

Type the name of the Commission's pass-through U.S. financial instution.

Corresponding U.S. Bank ABA Number

Type the 9 digit American Bankers Association routing number of the Commission's pass-through U.S. financial instution.

Corresponding U.S. Bank City and State

Type the city and state of the Commission's pass-through U.S. financial institution.

Additional Comments

Type any additional information to clarify the data on this form.

Type or print the following on the RIGHT SIDE of Section 2:

Payee or Beneficiary's Bank

Type the name of the Commission's local financial institution.

Identifier Type

Check Account Number, Swift Code or Other.

Identifier

Type the number of the local financial institution's identifier with the corresponding U.S. Bank. This is usually an account number for the local financial institution or the Swift Code (the 8 or 11 alphanumeric characters that identify your local financial institution).

Payee or Beneficiary's Bank Account Number

Type the account number of the Commission's account with the local financial institution.

Bank Account Title

Type the title of the Commission bank account with the local financial institution (i.e., checking, savings, etc.).

NOTE: If you have questions regarding Section 2 of the Wire Transfer Form for International Organizations, contact ECA/A/E.

Section 3: (To be completed by the Commission AND the Beneficiary [local] Bank):

The individual(s) having signing authority for this bank account should sign, date, print their full name, and provide their e-mail address(es) in Section 3 on the LEFT SIDE. Leave the RIGHT SIDE blank.

The Wire Transfer Form for International Organizations should then be forwarded to a representative of the Commission's Beneficiary (local) Bank. The bank representative should complete the RIGHT SIDE.

Completed Wire Transfer Forms for International Organizations should be faxed to:

Leigh Sours
U.S. Department of State
Office of Academic Exchange Programs (ECA/A/E)

E-mail: SoursLA@state.gov

NOTE: If the information required by this form changes, the Commission must submit a revised form to ECA/A/E.

APPENDIX 12: FULBNET

The FULBNET listserv is available to Fulbright Commission, the Department of State, and cooperating agency staffs as a means of providing information and discussing issues related to the management of the Fulbright Program. The listserv is not open to current Fulbright grantees, alumni or the public.

To subscribe to FULBNET, send the following message to LISTSERV@lists.state.gov:

SUBSCRIBE FULBNET Firstname Lastname (e.g. SUBSCRIBE FULBNET JANE DOE)

You will receive a subscription confirmation and directions for personalizing your membership.

For technical assistance and other questions, contact the FULBNET listserv owner, Robin Bradley, at BradleyRG@state.gov.

APPENDIX 13. GLOSSARY OF TERMS AND ACRONYMS

ALLOCATION: The annual U.S. or partner country government contribution to a Commission in support of the Commission's programs and operations.

AMIDEAST: The America-Mideast Educational and Training Services, through a cooperative agreement with ECA, administers the Fulbright Foreign Student Program for grantees from the Arab world. AMIDEAST also administers the ECA-funded Israeli-Arab Scholarship Program, which provides opportunities for Israeli Arabs to study at a U.S. institution.

ASPE: The Accident and Sickness Program for Exchanges provides accident and sickness coverage for Fulbright grantees and participants of other Department of State exchange programs. A private contractor in cooperation with ECA administers this program. Additional information on ASPE is available at http://exchanges.state.gov/aspe/aspebrochure.pdf

APPLICANT: An individual from the U.S. and partner country who applies for a Fulbright grant.

BASIC GRANT: Covers a grantee's original grant period, and provides full or partial funding, accident and sickness coverage, administrative support, and J-visa sponsorship.

BOOKS AND MATERIALS ALLOWANCE: An allowance provided to grantees to purchase books and educational materials.

BYLAWS: A set of rules adopted by the Commission which sets forth the governance of its members and the regulations of its affairs. A sample copy of commission bylaws may be obtained from ECA/A/E.

CANDIDATE (OR NOMINEE): A U.S. or partner country student or scholar whose application has been recommended to the FSB to receive a Fulbright grant.

CAO: The Cultural Affairs Officer is a Foreign Service Officer in the U.S. Embassy's Public Affairs Section who is responsible for the Embassy's cultural and professional activities and exchanges between the U.S. and the partner country.

CENTRAL FUNDS: Supplemental funding provided by ECA/A/E to the Institute of International Education (IIE) in support of the U.S. Student Program. Central Funds are intended to increase the number of graduating seniors and grantees in the arts and may not be used as a substitute for the Commission's regular commitment to the U.S. Student Program. The amount of Central Funds varies each fiscal year.

CIES: The Council for International Exchange of Scholars, a division of IIE, provides administrative services, through a cooperative agreement with ECA, for the Fulbright Scholar Program.

CONTRIBUTION: Direct or in-kind donations, received from U.S. or partner country governments or the private sector, which are often the result of fundraising activities.

COOPERATING AGENCY: A private organization that assists in the administration of the Fulbright Program under a cooperative agreement with ECA.

COST SHARING: Any direct or in-kind contributions in support of the Fulbright Program.

DEPENDENT (OF PARTNER COUNTRY GRANTEE): An accompanying spouse or an unmarried child under the age of 21. Accompanying dependents must remain in the United States for at least 80 percent of the grant period to be eligible for dependent allowances, if applicable.

DEPENDENT (OF U.S. GRANTEE): An accompanying spouse or relative (child, grandchild, parent, or sibling) who is financially dependent on the grantee. Accompanying dependents must remain in the grantee's country of assignment for at least 80 percent of the grant period to be eligible for dependent allowances, if applicable.

DHS: The United States Department of Homeland Security is a Federal Agency whose mission is to prevent, deter and respond to threats against the United States, as well as to ensure safe and secure borders, receive immigrants and visitors, and promote the free-flow of commerce.

DS 2019 (FORMERLY IAP-66): Certificate of eligibility needed by all partner country grantees to apply for J-visa Exchange Visitor Status.

DUAL CITIZENSHIP (FOR PARTNER COUNTRY GRANTEE): An applicant from a partner country with dual citizenship (a citizen of the U.S. and the partner country) is ineligible to participate in the Fulbright Program.

DUAL CITIZENSHIP (FOR U.S. GRANTEE): U.S. citizens entering the partner country must comply with that country's immigration and visa laws. If a U.S. citizen entering the partner country as a U.S. citizen would violate these laws, the Commission may determine that the applicant is ineligible to receive a Fulbright grant to that country. This determination must be made by the Commission Board and be in compliance with the FSB Policies.

ECA: The Bureau of Educational and Cultural Affairs (ECA), under the direction of the Assistant Secretary of State for Educational and Cultural Affairs, administers the U.S. Department of State's exchange programs. Offices managing or supporting the Fulbright Program are:

ECA/A: Deputy Assistant Secretary for Academic Programs

ECA/A/E: Office of Academic Exchange Programs

ECA/A/E/AF: Africa Programs Branch

ECA/A/E/EAP: East Asia and Pacific Programs Branch **ECA/A/E/EUR:** Europe and Eurasia Programs Branch

ECA/A/E/NEA-SA: Near East and South Asia Programs Branch

ECA/A/E/USS: Study of the U.S. Branch

ECA/A/E/WHA: Western Hemisphere Programs Branch

ECA/A/S: Office of Global Educational Programs

ECA/A/S/U: Humphrey Fellowships and Institutional Linkages Branch ECA/A/S/X: Teacher and Administrator Exchange Programs Branch

ECA/A/S/A: Educational Information and Resources Branch

ECA/FSB/S: J. William Fulbright Foreign Scholarship Board Staff

ECA-IIP/EX: Office of the Executive Director

EFT: Electronic Funds Transfer is a method of payment to a Commission whereby funds are transferred electronically from the Federal Reserve Bank or the U.S. Treasury directly to the Commission's U.S. bank account.

ELIGIBILITY: Requirements and criteria established by the J. William Fulbright Foreign Scholarship Board and published in the FSB Policies that set forth the qualities applicants must possess to be considered for the Fulbright Program.

ENRICHMENT ACTIVITIES: ECA/A/E provides funding for a variety of educational, cultural, professional and social activities for visiting students and scholars while in the United States. These activities enable Fulbright grantees to interact with Americans and learn more about U.S. cultures and customs. Enrichment activities also promote mutual understanding and illustrate the global reach of the Fulbright Program by bringing grantees together.

ETS: Educational Testing Service, either directly or through a contract with a commercial firm, administers standardized tests in the United States and abroad.

EXTENSION OF GRANT: Covers an additional grant period immediately following the basic grant so that the project can be completed. An extension provides administrative support, accident and sickness coverage, and J-visa sponsorship (for partner country grantees and dependents if applicable). It does not necessarily provide additional funding to the grantee.

FAM: The Foreign Affairs Manual contains the policies, regulations, and responsibilities for operations of the United States Department of State. The FAM can be accessed at http://www.foia.state.gov/regs/vtl.asp.

FLY AMERICA ACT: The International Air Transportation Fair Competitive Practices Act of 1974, as amended, is an Act of Congress which requires that air travel paid for with U.S. Government funds must be on U.S. flag carriers, when available.

FSB: The J. William Fulbright Foreign Scholarship Board, composed of twelve educational and public leaders appointed by the President of the United States, formulates the policies, procedures and selection criteria that govern the Fulbright Program. The FSB is responsible for the final selection of grantees.

FSN: A Foreign Service National is a non-U.S. citizen employee of a U.S. Embassy or Diplomatic Post.

FULBRIGHT-HAYS ACT: The title of the legislation that provides the legal basis for the Fulbright Program.

FY: The United States Government fiscal year is October 1 - September 30.

GAAP: Generally Accepted Accounting Principles are a widely accepted set of rules, conventions and procedures used to standardize the reporting of financial statements, as established by policy boards in each country.

GMAT: The Graduate Management Admission Test is a standardized test required for admission to most business schools. It is designed to measure the verbal, quantitative, and writing skills of applicants for graduate study in business. It does not presuppose any specific knowledge of business or other specific content areas.

GRADUATE SCHOOL, USDA: The Graduate School of the U.S. Department of Agriculture offers career-related and continuing education courses to professionals and federal, state and local employees throughout the country. Under a cooperative agreement with ECA, the International Institute of the Graduate School, USDA, administers the Fulbright Teacher and Administrator Exchange Program.

GRANTEE: A candidate or nominee from the U.S. or partner country who has received all required approvals, confirmation of funding, and has accepted a Fulbright grant.

GRE: The Graduate Record Examination is a standardized test required for admission to many graduate schools. Business and Law applicants generally do not take the GRE. The General Exam measures verbal, quantitative, and analytical skills unrelated to any specific field of study whereas the subject tests (such as computer science or psychology) are designed to help graduate school admission committees assess the qualifications of applicants in specific fields of study.

IIE: The Institute of International Education provides administrative services, through a cooperative agreement with ECA, for part of the Fulbright Student Program and the Hubert H. Humphrey Fellowship Program.

- J-1 VISA: The visa category under which all Fulbright grantees from partner countries must enter the United States. All Fulbright grantees, following the completion of their programs, are subject to the two-year residency requirement as stated in Section 212(e) of the Immigration and Nationality Act (INA) of 1952, as amended.
- J-2 VISA: The visa category under which dependents of Fulbright grantees from partner countries must enter the United States. All J-2 dependents of Fulbright grantees are subject to the two-year residency requirement as stated in Section 212(e) of the Immigration and Nationality Act (INA) of 1952, as amended.

LASPAU: LASPAU: Academic and Professional Programs for the Americas, through a cooperative agreement with ECA, provides administrative services for the Fulbright Faculty Development Program and the Fulbright-OAS Ecology Programs. The Faculty Development Program brings university faculty members to the United States for graduate degrees and ties them to their home universities with contracts for their return. The Fulbright-OAS Ecology Programs brings researchers from NGOs, public organizations, and universities to the U.S. to study multi-disciplinary approaches to environmental preservation and sustainable development.

LSAT: The Law School Admission Test is a standardized test required for admission to U.S. law schools. It provides a measure of acquired reading and verbal reasoning skills that law schools use in assessing applicants. The test is administered four times a year.

MECEA: Mutual Educational and Cultural Exchange Act of 1961, as amended (Public Law 87-256).

MEDICAL CLEARANCE: Review and approval of medical reports submitted by candidates. Medical clearance must be obtained before a grant can be awarded.

NAFSA: NAFSA: Association of International Educators promotes the exchange of students and scholars to and from the United States. This member organization sets and upholds standards of good practice; provides training, professional development, and networking opportunities; and advocates for international education.

NOMINEE (OR CANDIDATE): A U.S. or partner country student or scholar whose application has been recommended to the FSB to receive a Fulbright grant.

OIG: The U.S. Department of State's Office of Inspector General is responsible for the review of policies, procedures, and fiscal management to determine if goals are being achieved and interests of the United States are being represented. As part of the review process, OIG inspects bureaus, embassies, diplomatic posts, Fulbright Commissions and international broadcasting installations worldwide.

OMB: The Office of Management and Budget assists the President of the United States in the development and implementation of budget, program, management, and regulatory policies.

ORIENTATIONS: Pre-departure and post-arrival briefings by the Department of State, Commissions, and embassies to provide grantees with administrative and cultural information relevant to their Fulbright experience.

PAO: The Public Affairs Officer is a Foreign Service Officer in the U.S. Embassy's Public Affairs Section who is responsible for the Embassy's educational and citizen exchange programs, media relations and public information programs about the United States.

PASSPORT: An official government document that certifies identity and citizenship and permits a citizen to travel abroad.

PMS: The Payment Management System, administered by the U.S. Department of Health and Human Services, is a centralized electronic payment and cash management system used by the Federal Government. Federal agencies use PMS to receive, approve and authorize payments through the Federal Reserve Bank or the U.S. Treasury.

PRE-ACADEMIC TRAINING: ECA/A/E provides funding to some visiting student grantees to attend training programs prior to the beginning of their academic programs. This training may focus on English language (ELTO), academic disciplines (i.e. business or law) and/or academic and cultural skills. Pre-academic training also provides a period of

adjustment and orients visiting student grantees to the purpose and goals of the Fulbright Program.

REAC: The Regional Educational Advising Coordinator acts as a resource for educational advisers. The REAC encourages communication and networking among advising centers, acts as a liaison for the assigned geographic area with the Educational Information Center (EIC) and maintains contacts with U.S. colleges, universities, and organizations involved in international educational exchange. The REAC conducts needs assessment and training in addition to facilitating the sharing of information and materials throughout the region. The REAC follows education-related trends in the U.S. and around the world to keep advisers current and provides information on the latest developments in advising-related technology.

RENEWAL GRANT: A renewal grant covers an additional year, or portion thereof, following a basic grant. It provides full or partial funding, accident and sickness coverage, administrative support, and J-visa sponsorship for partner country grantees and dependents, if applicable. It usually does not provide additional travel funds.

TAXATION: Grantees are responsible for their individual U.S. income tax liability. Cooperating agencies may provide limited tax information or, in the case of partner country students, withhold taxes and prepare tax forms. Additional information is available at http://www.irs.gov/.

TERMS AND CONDITIONS: The document that provides information regarding grant benefits and outlines the rights, responsibilities, and obligations of the Fulbright grantee.

TESOL: Teachers of English to Speakers of Other Languages, recognized as a NGO of the United Nations Department of Public Information, ensures excellence in English language teaching to non-native speakers of other languages. TESOL has approximately 14,000 members in over 120 countries.

TOEFL: The Test of English as a Foreign Language is an academic English proficiency test. It measures the ability of non-native speakers of English to use and understand North American English as it is spoken, written and heard in college and university settings.

TRANSFER OF FUNDS: ECA transfers funds to Commissions through the Payment Management System. Requests for transfer of funds are reviewed and authorized by ECA/A/E program officers.

TRAVEL-ONLY GRANTS: Awards that pay for travel expenses and provide administrative support, visa sponsorship, and accident and sickness coverage.

TWO-YEAR RESIDENCY REQUIREMENT: Partner country Fulbright grantees and J-2 dependents must return home for an aggregate of at least two years after completing their program before applying for re-entry to the United States under certain non-immigrant and immigrant visa categories.

USAID: The U.S. Agency for International Development is a Federal Agency that receives overall foreign policy guidance from the Secretary of State. The agency's work fosters

long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting: economic growth, agriculture and trade; global health; and democracy, conflict prevention and humanitarian assistance.

- **U.S.C.**: The United States Code is the codification of the laws of the United States.
- U.S. CITIZENSHIP AND IMMIGRATION SERVICES: On March 1, 2003, services formerly provided by the Immigration and Naturalization Service (INS) transitioned into the Department of Homeland Security as U.S. Citizenship and Immigration Services (USCIS). USCIS oversees citizenship, asylum, employment authorization, replacement immigration documents and foreign student authorization.
- **U.S. DEPARTMENT OF EDUCATION:** The U.S. Department of Education ensures equal access to education and promotes educational excellence. A portion of Fulbright funding is appropriated by the U.S. Congress to the U.S. Department of Education's International Education Programs Service.

WAIVER REQUEST: An official request to waive the requirements of Section 212(e) of the Immigration and Nationality Act of 1952 as amended. Persons who enter the United States on a J-1 or J-2 visa subject to Section 212(e) must reside and be physically present in his/her country of nationality for an aggregate of at least two years following departure from the United States before he/she is eligible to qualify for an immigrant visa or permanent residence status. The Department of State's Visa Office adjudicates decisions regarding waivers of the "two-year rule." Additional information is available at http://www.travel.state.gov/visa/tempvisitors_info_waivers.html.